Counterpunch

A Report from the Capital

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Free the Fortune 500

The Growing Scourge of "Corporate Grassroots Lobbyists"

In an unsuccessful effort to establish the ethical bottom line of Edward J. van Kloberg III, a Washington lobbyist who has represented Iraq's Saddam Hussein, Zaire's Mobuto Sese Seko and deceased despot Nicolae Ceausescu of Romania, *Spy* magazine in 1992 dreamed up the German People's Alliance. The group's fictitious representative, Sabina Hofer, telephoned van Kloberg to see if he'd be interested in promoting the Alliance's neo-Nazi agenda on Capitol Hill. A few key demands were banning immigration into Germany, increasing "our voice in the U.S. Congress to counter the pro-Jewish claque," and reclaiming Poland.

Informed that the group had up to $1 million to spend, the lobbyist expressed keen interest in obtaining the contract. "I believe in many of the tenets that you believe in," a charming and chuckling van Kloberg told Hofer. "So we are not very far apart, my dear."

What Van Kloberg, Patton, Boggs & Blow (Haiti under Duvalier), Hill and Knowlton (Indonesia, Turkey) and other cynical public relations specialists are to despots abroad, "corporate grassroots lobbyists (CGLs)" are to leading domestic business interests. A rapidly growing breed, CGLs use phone banks, letter-writing campaigns and other grassroots tools on behalf of their corporate clients. As Jack Bonner, president of Bonner & Associates and perhaps the king of the CGLs has said, "Some guy in a pinstripe suit telling a senator this bill is going to hurt Pennsylvania doesn't have the impact of someone in Pennsylvania saying it."

A one-time legislative aide and press secretary to the late Sen. John Heinz (R-Penn.), Bonner's firm opened for business in 1984. Gross billings soared to $7 million within three years, and continue to grow steadily. His clients have included tobacco companies, drug manufacturers and bankers.

While most lobbyists bill by the hour, Bonner frequently charges clients based on the number of phone calls or letters he generates to Congress. His forte is prodding "white hats"—people with no apparent ties to business groups, preferably a highly respected community figure such as a religious leader—to promote his clients' legislative priorities. Bonner, who canceled several scheduled interviews with ***Counterpunch*** and failed to return a faxed questionnaire, is said to charge up to $9,000 to arrange a personal visit between a "white hat" and a member of Congress.

In 1990, automakers hired Bonner to oppose an amendment which required the Big Three to build smaller, more fuel-efficient cars. Who, pondered Bonner, could possibly oppose this seemingly unobjectionable measure? The answer: the elderly and the physically handicapped, who have a hard time getting into smaller cars with walkers, wheelchairs and other special equipment.

Bonner arranged a DC press conference, and flew in the head of the South Dakota Easter Seals and a top official from a Florida seniors group, both of whom blasted the

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Shorts/Updates

As part of its frenzied promotion of the North American Free Trade Agreement, *The New York Times* last Nov. 16—the day before Congress voted on the pact—published an editorial titled "Running Scared From NAFTA." The editorial listed 14 House Democrats from Connecticut, New Jersey and New York, all of whom opposed NAFTA and who had received more than $150,000 from labor PACs since 1983. "Local Democrats fear the wrath of organized labor," said the *Times*. "Though it's impossible to say just how much the PAC money explains opposition to NAFTA, there's an unsettling pattern."

For some reason the *Times* didn't investigate how much money NAFTA supporters received from business PACs. Using newly released figures from the Center for Responsive Politics (CRP), ***Counter*punch** found that the 13 Connecticut, New Jersey and New York Republicans who backed NAFTA took in $2.36 million from corporate PACs during the 1991-1992 election cycle alone, versus about $235,000 from union PACs.

Overall, business gave the three states' 48 House members (who opposed NAFTA by 33 to 15) roughly $7.2 million during the last election period, almost twice the level of labor support. Twenty representatives received more than $150,000 from business PACs, an unsettling pattern the *Times* could have used in a "Running Scared *for* NAFTA" editorial.

Only 18 of the tri-state area's 48 representatives took in more money from labor than from business. Most interesting of all, the *Times*'s 14 dirty Democrats took in a combined $2.5 million from business—$700,000 more than they received from unions.

Such figures are generally reflective of the pattern found nationwide, which shows corporate PACs contributing nearly three times more money to congressional candidates than do union PACs. That doesn't include the huge sums of money donated by business executives and their allies. According to the CRP, individual donations of $200 or more account for about 36 percent of all contributions to congressional candidates, versus 29 percent from PACs. When large contributions from business-linked individuals are added to corporate PAC contributions, business outspends labor by a ratio of 6 to 1.

Those political figures who refuse to take PAC contributions—many who declare that such a stance demonstrates their "independence from special interest groups"—have the same pattern of funding as those who do. Championing campaign finance reform which focuses exclusively on the evils of tainted PAC money—as the *Times* and many others do—is insufficient and lays the groundwork for a further curtailment of labor's already marginal influence on the electoral process.

Bill Clinton's hypocrisy on Haiti has reached new depths. In late March, the administration renewed for 60 days a loophole which allows about 50 *maquiladora* assembly plants in Haiti to continue exporting to the United States. Thanks to that loophole, Haitian exports to the U.S. have *increased* by nearly 50 percent in the last year, as we reported in our last issue.

The move to extend the loophole came just days before top Clintonites announced, via an article in *The New York Times*, that the administration would redouble efforts to restore ousted President Jean-Bertrand Aristide. Steven Greenhouse, author of the *Times*'s article, wrote that a key part of this "shift" in policy would be to "tighten the [international] trade embargo on Haiti" in order to squeeze the military thugs now in power. Greenhouse politely failed to mention the decision to extend the loophole, an act which reveals the gross cynicism of the administration's professed commitment to pressuring the military.

A few hours before going to press with our last issue, ***Counter*punch** obtained a 1991 Haitian exporters guide which named the owners of many firms selling to the U.S. under the Clinton-granted *maquiladora* exemption. Given time constraints we were able to list only a few of the owners, virtually all whom are prominent anti-Aristide conservatives. We now provide information on a few other men and firms who Bill Clinton has authorized to export to the U.S.:

- J.B. Vital, owner of the Cima company, which exports sisal twine cords to Kane International of Rye, New York. Vital's name was contained on a list of roughly 40 funders of the anti-Aristide coup—an event which cost an estimated $54 million—that circulated in Haiti shortly after the military seized power.

- Reginald Boulos, director of Bomaco, a firm which exports fishing rods to Walker International of Detroit, Michigan. Boulos also runs the Centres de Developpement et Sante, an Agency for International Development-funded health care network whose membership reportedly overlaps with that of FRAPH, the paramilitary death squads now terrorizing Port-au-Prince shantytowns.

- Victor Chatelain, whose ETI company sells stuffed toys to U.S. importers. A well-known rightist, Chatelain was a personal friend of "Baby Doc" Duvalier and grew rich running a travel agency which held near-monopoly rights during the dictator's years in power.

- Home of Champions, a company which the National Labor Committee says is paying Haitian workers roughly 2 cents to stitch together a baseball which retails for $7.49 in the Unites States

The Clinton administration's tough new rhetoric on Haiti does not represent a shift in policy, but an attempt to buy off the Congressional Black Caucus and human rights groups, who are increasingly angry about the president's betrayal of Aristide. "I've got no confidence in Clinton," says a Haitian source who lives in Washington. "Aristide needs to be very careful in dealing with his chicanery." •

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Lobbyists, from p. 1

proposal as an attack on the less fortunate. He also recruited the Boy Scouts to the cause, with group leaders endorsing Bonner's position that small cars crumple in crashes and pose a menace to tots everywhere. Scout opposition proved to be the *coup de grace*, and the amendment soon died in committee.

Bonner's biggest triumph came the following year, when he helped the American Bankers Association (ABA) defeat an amendment which would have lowered astronomical interest rates charged by credit card companies. The measure, which had passed the Senate with only 14 dissenting votes, appeared headed for sure victory in the House.

Hired at the last minute, Bonner & Associates manufactured a popular revolt against the amendment, arguing—without a shred of evidence—that lowering interest rates would squeeze card issuers, thus causing millions of Americans to lose their Visas and Mastercards, thus decimating the small business sector. The campaign generated some 12,000 phone calls to Congress, which proved crucial in killing the legislation.

Bonner, who was reportedly paid $400,000 by the ABA for his efforts, received an ebullient "thank you" letter from the group's Executive Vice President, Donald Ogilvie:

> Dear Jack,
>
> As you say in your ads: "We help you win." Well, speaking for the banking industry, you helped us win a big one.
>
> It was hard in several days to gain support for an issue that at first blush looked like a good idea to most people. After all, paying less interest on your credit cards sounds great. Nevertheless, Bonner & Assoc.achieved all of our goals.
>
> Jack, rest assured that the next time the banking industry has a lot on the line with a tough political fight, we'll want Bonner & Associates in there helping us win again.

Dozens of lobbying firms and business groups are emulating and enhancing Bonner's techniques. The ABA, fearful that its traditional preprinted mass mailings are easy to spot and hence ineffective, now sends member banks computer disks which let PR department employees mix-and-match paragraphs to form "personal" letters that can be sent on company or individual stationery. Phillip Morris and public relations giant Burson-Marstellar recently cooked up the National Smokers Alliance, an "independent" pro-tobacco lobby. The corporation provided the Alliance with seed money and lists of smokers who organizers could recruit to their cause.

"Grassroots" lobbyists will surely play a major role in the debate on health care, with many top specialists already hard at work for insurance companies, pharmaceutical manufacturers and other enemies of reform. These include the Wexler Group, home to Betsey Wright, Clinton's chief of staff when he was governor of Arkansas; Powell-Tate, headed by the bipartisan duo of Jody Powell, former spokesman for Jimmy Carter, and Sheila Tate, former spokeswoman for Nancy Reagan; and Hogan & Hartson, whose partners include a number of former Clinton campaign advisers.

At the forefront of the anti-reform effort is the Health Insurers Association of America (HIAA), creators of the infamous "Harry and Louise" TV ads. Made up of 270 insurance companies, the HIAA has produced a kit for organizers which includes a "Model Campaign Plan For District Activity," a list of "message points" to rebut arguments for reform and a sample speech for company executives.

The latter, "Health Insurance: You Can Get It, Keep It and Take It With You," oozes false sincerity. It begins:

> Good morning. I am Sidney Garfield, Chief Executive of Provincial Life Insurance. I'm happy to see you all here today. I want to start by saying that I'm not here merely as an insurance company executive nor even as a businessman. I'm here as an American, and I'm also here representing my own family—all of whose members need health care and health-care coverage. My kids get earaches and they go for their check-ups and immunizations; my wife and I have had our modest share of medical problems; and my parents are senior citizens, with their own special needs. I'm starting by mentioning my family because, when it comes to health care, the old cliche is really true: we are all in this together.

Because they push legislation but don't personally meet with lawmakers, CGLs are largely able to evade rules requiring lobbyists to disclose their activities. That makes it harder for citizens to know when—and which—private interests are manipulating public debate. "Corporate grassroots lobbying represents the collusion of big time money with new technology," says Susan Manes of Common Cause, who predicts that CGL will explode in the next few years. "Combine that with the ability to conceal from the public who is really behind lobbying campaigns and you've got a very dangerous situation."

The increasing influence of Washington's estimated 12,500 lobbyists has led to some of the most grotesque swindles inflicted on taxpayers in recent years. That includes the S&L disaster—and the $400 billion industry bailout—and countless cases of Pentagon waste. However, most of these PR flacks argue that they simply enhance democracy by helping corporations deliver their message in Washington. As van Kloberg explained to "Sabina Hofer" of *Spy*, "Consulting and lobbying here is what we call a necessary evil. The American system is built around a lobbyist or public relations person who represents and facilitates dialogue." •

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Nuke Industry Fights to Save So. Carolina Dump

Activists closely monitoring 'Walmart' lawmakers

A key struggle for the future of nuclear power is being played out in South Carolina, where activists and lobbyists are locked in battle over the Barnwell "low-level" radioactive dump. The only U.S. site which now accepts out-of-region radioactive waste, Barnwell is set to shut down in 1996. But unless the state legislature—currently besieged by nuclear lobbyists—votes to extend a July 1 deadline, the dump will soon be barred from accepting waste from outside the southeastern U.S. "Public opposition [to an extension] is running high," says Daisy Hollis, Executive Director of CLEAN, a South Carolina environmental group. "The problem is that we've got 'Walmart' legislators who can be bought at discount prices."

In 1990, Congress passed the Low-Level Radioactive Waste Policy Act (RWPA), which put each of the 50 states into one of ten regional "compacts." These compacts were meant to site and build dumps to meet the respective region's disposal needs.

But popular resistance was strong. Members of the N.Y. commission on the issue had to wear bulletproof vests when visiting five towns they recommended as possible dump sites. With few available facilities, thousands of tons of waste have accumulated at nuclear power plants across the country.

Located in the village of Snelling, Barnwell serves the eight states in the Southeastern Compact, but has also taken in tons of waste from other areas. The dump holds about 40 percent of total U.S. commercial radioactive waste, tops in the nation.

Barnwell's waste is soothingly classified as "low level." However, that term—as defined by the Nuclear Regulatory Commission (NRC)—encompasses virtually everything except irradiated nuclear fuel. Barnwell's buried treasure ranges from short-lived hospital wastes to intensely radioactive matter from nuclear plants.

Chem-Nuclear Systems, a subsidiary of WMX Technologies (formerly Waste Management, Inc.), operates the Barnwell site. The company and other WMX-controlled firms have been slapped with millions of dollars in fines for such activities as failing to report hazardous waste spills and falsifying inventory records. In advising the local Board of Advisors not to do business with WMX, San Diego District Attorney Ed Miller likened the company to the mob, saying it was "organized to circumvent the law for profit."

Chem-Nuclear claims a perfect operating record, but in the early 1980s highly toxic tritium was discovered 69 feet below the trenches where Barnwell's waste is stored. More recent reports indicate that ground water supplies may be contaminated. Sen. Theo Mitchell, a leading Barnwell critic, says the company uses "unsafe and outmoded technical practices" which have turned the state into "the nation's toilet."

Barnwell's fate is in the hands of South Carolina's powerful legislature, which has long enjoyed a cozy relationship with the economic powers who dominate state affairs. In 1991, 15 elected officials were found guilty of taking bribes from lobbyists. The prosecution's case was bolstered by videotapes showing the accused happily accepting cash payments in exchange for their support of a bill to legalize parimutuel betting.

Another scandal erupted the following year, when Barnwell's out-of-region license was narrowly renewed for 18 months. In what came to be known as the "phantom" vote, three lawmakers who were out of town on the day of the decision somehow cast ballots in favor of the extension. To prevent further "phantom" ballotings, locks were installed on the legislature's electronic voting devices, with each lawmaker holding a key to activate his or her machine.

New laws to control political corruption passed in the wake of these scandals, but loopholes remain. "It's business as usual," says Hollis of CLEAN. "Only the methods have changed."

Anxious to maintain its lucrative position as a recipient of out-of-region waste, Chem-Nuclear has an estimated 34 lobbyists working on the Barnwell extension—one for every five lawmakers in the 170-member legislature. The company's chief lobbyist is Don Fowler, a top official in the state and national Democratic Party and a man who flacks for a number of other toxic dumpers. Fowler certainly brings passion to his work. During the 1992 renewal debate, he got down on his knees and kissed the hand of a female lawmaker who switched positions to side with Chem-Nuclear.

While Chem-Nuclear has substantial firepower, the public and a majority of the legislature oppose extension. Since pro-dump forces cannot win an up-down vote, they are trying—with little chance of success—to steal victory by sneaking the extension through with a "concurrent resolution." Such a measure—which is normally used for non-controversial acts such as welcoming beauty queens or football players—becomes law if its introduction is not opposed by at least five legislators.

As the debate goes on, operators of the now-extinguished Yankee Atomic generator in Rowe, Massachusetts, are frantically seeking to strip the plant and truck its contents to Barnwell before the July 1 deadline. An NRC inspection report obtained by ***Counter*punch** reveals that in January Yankee Rowe sent to Barnwell a shipping cask that emitted about five times the allowed legal limits of radiation.

Extending Barnwell's out-of-region life would be a disaster for South Carolina, home to the nation's largest concentration of toxic dumps. The state also hosts the 300-square-mile Savannah River nuclear weapons plant, where soil, groundwater, surface water and sediment are all badly contaminated. As if this weren't enough, some South Carolina officials want to turn the state into the "Silicon Valley" of toxic waste, and propose the construction of new storage facilities for spent nuclear fuel and a national "think tank" on waste management.

The Barnwell fight also has enormous implications for the national nuclear industry, which has only about 100 plants still in operation and just four new ones under construction. "Shutting down the dumps is crucial," says Kim Roberson of the Nuclear Democracy Network. "If they can bury the waste, they can keep the door open for a new generation of reactors." •

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